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START NEW INVESTMENT FINANCE ARRANGEMENT

Beginning in 1951, new investments in nationalized and communal enterprises will be financed through the "Fund of Nationalized Industry" instead of through bank credits. The state Investment Bank is now the investment credit agent, while the State Bank is to give credit only for current needs.

There was no finance plan for 1949, and the banks, which were to control investments, had to keep records themselves, without any over-all plan.

To control investments currently the Investment Bank new has branches in all okres capitals. All expenditures for investments will thus be controlled on the spot by the bank. Each controlled expenditure has a fixed quota of "capital goods" from its respective ministry. The amount of these capital goods may be raised or lowered during the year, as can planned amortization write-offs. Machines and equipment taken out of operation will also be written off.

The tasks of the Investment Bank begin when the investment plans are begun. The investment Bank has to determine the workability of requests made for funds, their priority, and the time schedule for making investments. All construction is controlled so that only planned construction will be done. Investment Bank has "Control Centers" in addition to its okres branches.

During 1951 the Investment Bank is also to take over the financing and control of residential construction. Later it is to take over the administration of the state Cooperative Fund, which will be set up this year. The finances of the many thousand agricultural cooperatives will then be handled in a uniform

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